

Ms. Kateri Callahan
President, Alliance to Save Energy
Appearing before the
Appropriations Subcommittee on Energy and Water Development, and Related Agencies
Wednesday, May 3, 2017

Introduction

Thank you, Mr. Chairman, Ranking Member Kaptur, and members of the Subcommittee for the opportunity to testify today. My name is Kateri Callahan, and I serve as the President of the Alliance to Save Energy, a non-profit coalition of over 120 businesses, organizations, and institutions committed to advancing policies that will lead to greater U.S. energy productivity.¹ We appear before you today to request Fiscal Year (FY) 2018 funding for the energy efficiency programs administered by the Department of Energy's (DOE) Office of Energy Efficiency and Renewable Energy (EERE) at levels *at least* equal to appropriated levels for FY2017.

The Alliance has worked to advance bipartisan national energy efficiency policies that reap economic, security and environmental returns for Americans for 40 years. We do not advocate for or against any fuel type; rather, our goal is reflected in our motto—"Doing More. Using Less."—which applies across all energy resources and emphasizes wiser use of energy.

Federal Energy Efficiency Programs: A History of Huge Success

Federal investments in energy efficiency have reaped huge returns for taxpayers, driving private sector investment, lowering energy bills, creating jobs and improving the environment. For these reasons, federal investment in energy efficiency has enjoyed broad bipartisan support in the Congress and the executive branch for decades.

¹ The Alliance's board of directors is available at <http://www.ase.org/about/leadership/board>. A current roster of Associate members available at <http://www.ase.org/involved/join/members>.

Since 1980, the U.S. economy's energy productivity has more than doubled—we are getting twice as much GDP for each unit of energy we consume today than we did back then. The result of this improvement is huge; Americans are saving an estimated \$800 billion annually.²

The importance of energy efficiency to our economy is underscored by 2.2 million American workers who design, manufacture, install, and repair the devices, appliances, equipment and buildings that deliver cost-effective savings, representing fully one-third of entire energy-related workforce.³ In fact, the members of the Subcommittee represent over 46,000 Americans employed in whole or in part in energy efficiency.

Energy Efficiency Jobs, in Districts Represented by Subcommittee Members

Member	District	Jobs	Member	District	Jobs
Chairman Simpson	Idaho-2	909	Ranking Member Kaptur	Ohio-9	4,283
Rep. Calvert	Calif.-42	859	Rep. Visclosky	Ind.-1	4,262
Rep. Fleischmann	Tenn.-3	1,339	Rep. Wasserman Schultz	Fla.-23	2,708
Rep. Fortenberry	Neb.-1	4,184	Rep. Aguilar	Calif.-31	6,139
Rep. Granger	Texas-12	1,302	Rep. Serrano	N.Y.-15	559
Rep. Herrera Buetler	Wash.-3	3,639			
Rep. Joyce	Ohio-14	4,290			
Rep. Newhouse	Wash.-4	4,169			

The contributions of federal energy efficiency programs to the long history of economic, environmental and security benefits to our country are difficult to overstate. And, notwithstanding the tremendous gains already made, the opportunities to continue to drive energy efficiency improvements with an impactful return remain enormous.

Alliance Recommendations and Requests

We respectfully urge the Subcommittee to provide in Fiscal Year 2018 *at least* at the levels appropriated in FY2017 and in a few important instances to increase funding.

² “Energy Efficiency in the United States: 35 Years and Counting,” American Council for and Energy-Efficient Economy, June 30, 2015, <http://aceee.org/research-report/e1502>, last accessed April 24, 2017.

³ “Energy Efficiency Jobs in America: A Comprehensive Analysis of Energy Efficiency Employment Across All 50 States,” Environmental Entrepreneurs and E4TheFuture, December 2016, https://e4thefuture.org/wp-content/uploads/2016/12/EnergyEfficiencyJobsInAmerica_FINAL.pdf, last accessed April 24, 2017.

Proposed Funding Levels for FY2018 for U.S. DOE EERE Programs

Program	Current Funding FY2017 <i>As of April 26, 2017</i>
Building Technologies Office	\$200,500,000
▪ Equipment and Building Standards	-\$57,500,00
▪ Residential Building Integration	-\$23,000,000
▪ Commercial Building Integration	-\$32,000,000
▪ Emerging Technologies	-\$86,000,000
Advanced Manufacturing Office	\$228,500,000
Federal Energy Management Program	\$27,000,000
Weatherization and Intergovernmental Programs	\$265,000,000
▪ State Energy Program	\$50,000,000
▪ Weatherization Assistance Program	\$215,000,000
Energy Information Administration	\$122,000,000

Building Technologies Office (BTO)

We respectfully request your support for level funding (\$200.5 million) for BTO. BTO develops critical technologies, tools, and solutions that help homeowners and businesses achieve peak energy performance in residential and commercial buildings, respectively. Within the BTO account, we request report language that instructs U.S. DOE to allocate funding as follows: \$57.5 million for Equipment and Building Standards, \$23 million for Residential Building Integration, \$32 million for Commercial Building Integration, and \$86 million for Emerging Technologies. BTO programs are cost-effective. For example, an average U.S. household saves about \$500 each year because of minimum energy efficiency standards.⁴ Where states and localities have adopted updated building energy codes that have been certified by DOE, homeowners realize net savings within one to two years of buying a new home.⁵

⁴ "Why National Appliance Standards?" Appliance Standards Awareness Project, March 16, 2017, <https://appliance-standards.org/fact-sheet>, last accessed April 24, 2017.

⁵ "The Economic Case for Building Energy Codes," Energy Efficient Codes Coalition, <http://energyefficientcodes.com/facts/the-economic-case/#EE>, last accessed April 24, 2017.

Advanced Manufacturing Office (AMO)

We respectfully request your support for level funding (\$228.5 million) for AMO, which has a mission consistent with the current administration's vision for a broader, multi-agency National Network for Manufacturing Innovation (NNMI). AMO enables the research, development, demonstration, and deployment of industrial efficiency and clean energy manufacturing technologies. Your support for the deployment of energy efficient manufacturing technologies and practices will help keep the U.S. a global industrial leader.

Federal Energy Management Program (FEMP)

We respectfully request your support for a modest increase of \$1 million over FY2017 for FEMP, which provides project and policy expertise to agencies across the federal government and helps energy managers meet Congressional and executive branch energy management goals. FEMP helps to leverage billions of dollars of private-sector capital through energy savings performance and utility energy service contracts (ESPCs and UESCs) and supports the remarkable reduction in energy intensity—down 47.4% since 1975—of federal facilities. This reduction saves taxpayers money on federal energy bills.

Weatherization and Intergovernmental Programs

We respectfully request your support for an increase of up to \$20 million over FY 2017 appropriated levels for the State Energy Program (SEP). SEP supports state efforts to develop clean energy projects and to build capacity for program and project management and financing. Studies show a direct savings on energy bills of \$7 for every dollar of federal investment, and every \$50 million in SEP delivers results of \$585 million in benefits.⁶ SEP represents a sound taxpayer investment opportunity.

⁶ "U.S. State Energy Program," National Association of State Energy Officials, <https://www.naseo.org/state-energy-program>, last accessed April 24, 2017.

WAP has helped over 7 million low-income families, seniors and individuals with disabilities make lasting energy efficiency improvements to their homes.⁷ A typical year in WAP operations delivers \$340 million in energy savings, supports 8,500 jobs, and has a program-wide benefit cost ratio of 4:1; increasing funding would deliver even greater returns for taxpayers.

Energy Information Administration (EIA)

We request your support for a modest increase of up to \$9 million for the EIA. EIA provides world-class data collection, analysis and reporting activities on energy usage that is used and relied upon by businesses and institutions across the country and around the world. We are in the midst of transition to a modern, integrated power grid and a new energy world order that makes EIA work more important than ever before. EIA needs the resources and tools to keep up with the fast-paced changes in the energy sector.

Conclusion

Cutting funding to U.S. DOE EERE programs, as has been suggested by the administration, moves us in the wrong direction. Continued and aggressive federal energy efficiency programs at DOE are critical to driving U.S. economic growth and represent a “no regrets” approach to tackling environmental challenges. In short, taxpayers are far better served by continued investments in energy efficiency. We urge Congress to fund these EERE programs outlined here as aggressively as the overall budget allows; they are a win-win-win for the American people.

⁷ “About The Weatherization Assistance Program,” National Association for State Community Services Programs, <http://www.nascsp.org/Weatherization/635/29/The-Weatherization-Assistance-Program.aspx>, last accessed April 24, 2017.